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RM32.4bn thrust for farm sector (HL)

Eirmalasang Bani

THE implementation of strategies outlined in the third National Agricultural Policy (1998-2010), or NAP3, will require a total investment of RM32.4 billion.

Agriculture Minister Datuk Amar Dr Sulaiman Daud said RM21.4 billion is expected to be mobilised from the private sector and the rest from the public sector, both federal and state.

Announcing details of the much-awaited NAP3, which was approved by the Cabinet yesterday, he said the policy's main objective is to maximise income through optimum use of agricultural resources through the pursuit of the twin-strategy of agro-forestry and product-driven projects.

"The new policy's implementation requires the cooperation of the private and public sectors, as well as of the state governments," Sulaiman said.

Challenges which will be addressed include reducing farming manpower requirements; optimisation of the use of scarce resources like land; increase in foreign investment; smallholding sector reform; support for national industrialisation; and consolidation and integration of agricultural and forestry development.

Of the total investment, the minister said RM7.2 billion will be needed between 1998 and 2000, RM11.9 billion in 2001-2005 and RM12.9 billion in 2006-2010.

"This is the first policy which comes with an action plan comprising specific measures to be undertaken by the relevant institutions, stakeholders and players," Sulaiman said, adding that NAP1 and NAP2 had lacked proper and effective mechanisms for their implementation.

To implement the action plan, the ministry has proposed the establishment of a Public-Private Sector Coordinating Council as well as a Higher Planning and Implementation Committee.

The council will be chaired by Prime Minister Datuk Seri Dr Mahathir Mohamad and have as members relevant ministers, state government officials and private sector representatives. It will steer the entire process of the NAP3's implementation.

The planning committee, to be chaired by the Agriculture Minister, will comprise representatives from the state governments and federal agencies involved in land matters and water resources.

On the twin-strategy, Sulaiman said it is aimed at optimising resource utilisation and reinforcing cluster-based agro-industrial development efforts in line with the approach adopted by the Second Industrial Master Plan (1996-2005).

The product-based approach, he said, gears the sector towards producing in accordance with market demand, product potential and customer preference.

"The present commodity-based approach limits the capabilities and effectiveness of the agriculture sector in penetrating segmented and high-end markets," Sulaiman said.

For this reason, the food sector and development of new industries will require private sector investments of some RM11.5 billion, he said. "The economic crisis has made it more urgent for us to enhance food security through expansion of domestic production capacity."

The industrial crops sub-sector needs RM9.9 billion in investments, of which RM6.1 billion will be for further expansion of oil palm cultivation.

Contribution of the public sector will meanwhile be in the form of

development of infrastructure, support services, research and development, and human resources to be undertaken by the Agriculture Ministry (RM9.2 billion), the Primary Industries Ministry (RM1.2 billion), and state governments (RM58 million).

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